



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Bill 4

FISCAL NOTE

Drafting Number: LLS 19-0229
Prime Sponsors:

Date: October 2, 2018
Bill Status: Opioid and Other Substance
Use Disorders Study
Committee Bill Request

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Bill Topic: PREVENTION OF OPIOID AND OTHER SUBSTANCE USE DISORDERS

**Summary of
Fiscal Impact:**

- | | |
|---|--|
| <input checked="" type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

The bill implements several policies for prevention of opioid and other substance use disorders related to prescribing; safe use, storage, and disposal of household medication and opioid antagonist drugs; prenatal substance exposure; and local public health funding, among other provisions. On an ongoing basis, the bill will increase state expenditures, local government revenue and expenditures, and potentially state revenue from gifts, grants, and donations.

**Appropriation
Summary:**

For FY 2019-20, the bill requires appropriations totaling \$7.7 million to multiple state agencies. It currently includes an appropriation of \$5.0 million to the Colorado Department of Public Health and Environment.

**Fiscal Note
Status:**

The fiscal note reflects the bill draft requested by the Opioid and Other Substance Use Disorders Study Committee.

**Table 1
State Fiscal Impacts Under Bill 4**

		FY 2019-20	FY 2020-21
Revenue	Cash Funds	-	-
Expenditures	General Fund	\$5,996,200	\$809,398
	Cash Funds	\$1,700,000	\$1,500,000
	Federal Funds	\$28,088	\$38,233
	Total	\$7,724,288	\$2,347,631
Total FTE		2.6 FTE	2.6 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill enacts numerous provisions concerning the prevention of opioid and other substance use disorders, as outlined below.

Household Medication Take-back Program. The bill expands the Household Medication Take-back Program in the Colorado Department of Public Health and Environment (CDPHE) to include the safe disposal of needles, syringes, and other devices for injecting medication starting in FY 2020-21. The bill requires that the General Assembly appropriate money from the General Fund to support this expansion of the program.

Funding for local public health agencies. For FY 2019-20, the bill includes an appropriation of \$5.0 million General Fund to the CDPHE for use by local public health agencies.

Maternal and child health pilot program. The bill requires the Office of Behavioral Health in the Department of Human Services (DHS) to establish the Maternal and Child Health Pilot Program for the integration of substance use disorder treatment and medication-assisted treatment with obstetric and gynecological health care. Specifically, the pilot program is to provide grants to three behavioral health facilities into which obstetric and gynecological health care is to be integrated, and six health clinics that provide obstetric and gynecological health care into which behavioral health services are to be integrated. The bill sets out the requirements for behavioral health facilities and health clinics that are awarded grants. The bill requires that the General Assembly appropriate General Fund money each year from FY 2019-20 through FY 2021-22 for the pilot program. Any unexpended or uncommitted funds remaining in the first two years may roll forwarded for use in the following year. The DHS is also authorized to accept gifts, grants, and donations for the pilot program. The pilot program is repealed on June 30, 2023.

Naloxone safety and use. The bill requires the Center for Research into Substance Use Disorder Prevention, Treatment, and Recover Support Strategies at the University of Colorado to develop a program to promote public awareness concerning the safe use, storage, and disposal of opioid antagonist drugs, such as naloxone and other drugs used to block the effects of opioid during an overdose. The bill requires the General Assembly to make an annual appropriation from the Marijuana Tax Cash Fund, through September 1, 2024, to fund this program.

Prenatal SBIRT pilot program. The bill creates a prenatal screening, brief intervention, and referral to treatment (SBIRT) pilot program in the College of Nursing at the University of Colorado Anschutz Medical Campus. The pilot program will provide access to treatment to pregnant women with substance use disorders, collect data on substance-exposed pregnancies, and evaluate the quality of SBIRT services. The pilot program may award grants to health care facilities that serve pregnant women in Alamosa, Boulder, Denver, El Paso, and Pueblo counties. The bill establishes an advisory board for the pilot program and specifies its membership. The College of Nursing, together with the advisory board, is responsible for review grant applications, establishing program guidelines and procedures, and other tasks. The College of Nursing is required to begin issuing grants no later than January 1, 2020. The executive director of the Commission on Higher Education may promulgate rules as necessary for operation of the pilot program. The bill requires that \$500,000 per year be appropriated from the Marijuana Tax Cash Fund for the pilot program. The pilot program is repealed on June 30, 2022.

SBIRT grant program for persons with hepatitis C or HIV. The bill establishes a grant program in the Department of Health Care Policy and Financing (HCPF) to award grants to one or more organizations to operate a substance abuse SBIRT program for referring to treatment persons with hepatitis C or HIV who have a substance use disorder and have used injectable drugs. The grant program must include training for health professionals on asking patients who have tested positive for hepatitis C or HIV about their injection drug use and referring them to appropriate treatment. The bill specifies that the General Assembly shall appropriate money from the Marijuana Tax Cash Fund for the program in FY 2019-20, and that the program is repealed on September 1, 2020.

Child abuse and neglect. The bill broadens the definition of "child abuse or neglect" in regards to substance exposure in the Colorado Children's Code to include any newborn child who is affected by alcohol or drug exposure and factors are present that threaten the health or welfare of the newborn child. Under current law, "child abuse and neglect" from substance exposure is defined as when a child test positive for a schedule I or schedule II controlled substance, unless the schedule II controlled substance is the result of the mother's lawful use of that drug.

Continuing provider education. The bill requires certain health care providers with prescriptive authority, including podiatrists, dentists, advanced practice nurses, optometrists, and veterinarians, to complete substance use disorder training as part of the continuing education requirement for professional license renewal.

PDMP access by medical examiners. The bill allows medical examiners access to the prescription drug monitoring program (PDMP) if the information released is specific to an individual on whom the medical examiner is conducting an autopsy related to a death or injury that occurred under unusual, suspicious, or unnatural circumstances.

State Revenue

This bill potentially increases state revenue to the DHS from gifts, grants, and donations. It is assumed this revenue will be deposited into a cash fund at the Department of Human Services. At this time, no source of such funding has been identified. Any revenue from gifts, grants, and donations received is exempt from the state TABOR limits.

State Expenditures

This bill increases state expenditures by \$7.7 million and 2.6 FTE in FY 2019-20 and \$2.3 million and 2.6 FTE in FY 2020-21, with costs continuing in future years. These costs, which are paid using General Fund and Marijuana Tax Cash Fund moneys, are incurred in the CDPHE, DHS, HCPF, and the University of Colorado, as shown in Table 2 and discussed below. The bill will also increase workload for the Department of Regulatory Agencies (DORA), the DHS, and the Judicial Department.

Table 2
Expenditures Under Bill 4

Cost Components	FY 2019-20	FY 2020-21
Department of Public Health and Environment		
Personal Services	\$26,453	\$21,643
Operating Expenses	\$2,990	\$2,990
Disposal Site Equipment and Operations	-	\$114,000
Funding to Local Public Health Agencies	\$5,000,000	-
Centrally Appropriated Costs*	\$8,750	\$17,217
FTE – Personal Services	0.4 FTE	0.3 FTE
CDPHE (Subtotal)	\$5,038,193	\$155,850
Department of Human Services		
Personal Services	\$95,819	\$104,530
Operating Expenses and Capital Outlay Costs	\$5,938	\$1,235
Facility Grants	\$600,000	\$300,000
Clinic Grants	\$240,000	\$240,000
Marketing and Outreach	\$25,000	\$25,000
Centrally Appropriated Costs*	\$19,338	\$21,016
FTE – Personal Services	1.2 FTE	1.3 FTE
DHS (Subtotal)	\$986,095	\$691,781
Department of Health Care Policy and Financing		
Infectious Disease SBIRT Grants	\$200,000	-
HCPF (Subtotal)	\$200,000	-
University of Colorado		
Personal Services	\$100,000	\$100,000
Public Awareness Campaign and Training	\$750,000	\$750,000
Provider Education	\$100,000	\$100,000
Law Enforcement Training	\$50,000	\$50,000
Prenatal SBIRT Pilot Program	\$500,000	\$500,000
FTE – Personal Services	1.0 FTE	1.0 FTE
DHS (Subtotal)	\$1,500,000	\$1,500,000
Total	\$7,724,288	\$2,347,631
Total FTE	2.6 FTE	2.6 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Household Medication Take-back Program (CDPHE). The bill increase costs in the CDPHE by \$38,193 and 0.4 FTE in FY 2019-20, \$155,850 and 0.3 FTE in FY 2020-21, and \$229,539 in FY 2021-22 to expand and provide a state funding source for the Household Medication Take-back Program. Once fully implemented, the program is expected to have ongoing costs of approximately \$160,000 in FY 2022-23 and beyond. These costs are paid from the General Fund. As shown in Table 2 above, the CDPHE will have costs for personal services, operating expenses including travel and software licensing, and medication drop-off kiosks and cabinets. Staffing costs assume a July 1, 2019, start date and are adjusted to account for the General Fund paydate shift.

The fiscal note assumes that in the first year, CDPHE staff will identify locations, negotiate contracts, establish program rules, and other preparatory work. Implementation of the expanded program will start with the purchase of about half of the required secure drop-off receptacles in FY 2020-21 (22 kiosks at \$1,400 each and 28 cabinets at \$400 each), followed the other half in FY 2021-22 (an additional 21 kiosks and 27 cabinets). Operating costs for the kiosks, which will be located in high-population areas of the state, includes frequent emptying of the receptacles by a contractor, whereas the secure cabinets, located in less populated areas, will be emptied by local facility staff and securely mailed for disposal.

Funding for local public health agencies (CDPHE). The bill includes an appropriation of \$5.0 million to the CDPHE for distribution to local public health agencies. It is assumed that this is one-time funding.

Maternal and child health pilot program (DHS). The DHS will have costs of \$986,095 and 1.2 FTE in FY 2019-20 and \$691,781 and 1.3 FTE per year from FY 2020-21 through FY 2022-23, paid from the General Fund. As shown in Table 2, the DHS will have personal services, operating, and capital outlay expenses for 1.3 FTE for program management and contract administration staff to oversee the pilot program. Staffing costs assume a July 1, 2019, start date and are prorated to reflect the General Fund paydate shift. As required by the bill, the fiscal note assumes that the DHS will operate nine pilot sites, including three behavioral health facilities and six medical clinics. It is estimated that each behavioral health facility grantee will receive \$200,000 in the first year for equipment, supplies, and personnel, and \$100,000 in subsequent years. Each medical clinic grantee is assumed to receive \$40,000 per year for staff training in behavioral health and other expenses.

SBIRT grant program for persons with hepatitis C or HIV (HCPF). In FY 2019-20 only, HCPF is estimated to have costs of \$200,000 to provide grants to promote SBIRT services for persons with hepatitis C or HIV and substance use disorders. The fiscal note assumes that two grants of \$100,000 will be provided to organizations working with this population. This cost is paid from the Marijuana Tax Cash Fund.

Naloxone safety and use (University of Colorado). The Center for Research into Substance Use Disorder Prevention, Treatment, and Recover Support Strategies at the University of Colorado will have costs of \$1.0 million per year from FY 2019-20 through FY 2023-24, paid from the Marijuana Tax Cash Fund, to conduct a public awareness campaign and hold specialized trainings around the state on the use of naloxone and other opioid antagonists. These costs, which are outlined in Table 2, are based on campaigns of similar scope and assume that 1.0 FTE is required for staff to oversee the program; the remaining costs will be for media, materials, and contract training staff.

Prenatal SBIRT pilot program (University of Colorado). Preliminarily, the fiscal note estimates that the University of Colorado College of Nursing will have costs of approximately \$500,000 per year from FY 2019-20 through FY 2021-22 to conduct the prenatal SBIRT pilot program created under the bill. The fiscal note estimates that the program will have administrative costs of approximately \$50,000 per year and will provide \$450,000 in grants to between three and six facilities. These costs are paid from the Marijuana Tax Cash Fund.

Child abuse proceedings (DHS and Judicial Department). By changing the definition of child abuse and neglect in regards to substance exposed newborns, the bill increases workload in the DHS, as well as the trial courts and other agencies within the Judicial Department. Specifically, the DHS will be required to update its rules and training materials for county caseworkers to reflect this change. For the Judicial Department, the bill may increase reports of child abuse and neglect to county departments of human services, which could ultimately increase the number of dependency and neglect cases heard by the courts. In addition, any increase in dependency and neglect caseload will lead to increased workload and potentially costs in the Office of the Child's Representative and the Office of Respondent Parent's Counsel for providing legal representation to children and indigent parents, respectively. At this time, the exact impact on dependency and neglect caseload cannot be estimated. It is assumed that any increases will be minimal and that the required work can be accomplished within existing appropriations to the Judicial Department.

Department of Regulatory Agencies. DORA will have increased workload in two areas of the Division of Professions and Occupations. First, the division will be required to update rules and communicate with regulated health professionals about the changes to the continuing education requirements. Second, it will be required to update the access rules and provide technical support to allow medical examiners to access the PDMP. These impacts are assumed to be minimal and can be accomplished within existing appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance, supplemental employee retirement payments, and indirect cost assessments, are estimated to be \$28,088 in FY 2019-20 and \$38,233 in FY 2020-21.

Local Government

This bill impacts local government revenue and expenditures in several ways. First, it increases funding and associated expenditures for local public health agencies in FY 2019-20. Second, to the extent that any local government agencies or health facilities receive grants under any of the various programs created by the bill, revenue and corresponding expenditures and workload will increase. Lastly, child welfare caseworkers may require additional training on the bill's changes to the definition of child abuse and neglect. This change may also result in additional reports of child abuse and neglect, which will increase staff time required to assess, investigate, and provide services in child welfare cases and to participate in any court proceeding associated with these cases.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2019-20, the bill requires the following appropriations:

- \$29,443 General Fund and an allocation of 0.4 FTE to the CDPHE;
- \$966,757 General Fund and allocation of \$1.2 FTE to the DHS;
- \$1,000,000 from the Marijuana Tax Cash Fund and an allocation of 1.0 FTE to the University of Colorado for use by the Center for Research into Substance Use Disorder Prevention, Treatment, and Recover Support Strategies;
- \$500,000 from the Marijuana Tax Cash Fund to the University of Colorado for the College of Nursing;
- \$200,000 from the Marijuana Tax Cash Fund to HCPF.

In addition, for FY 2019-20, the bill includes an appropriation of \$5.0 million General Fund to the CDPHE for distribution to local public health agencies.

State and Local Government Contacts

Counties	Health Care Policy and Financing
Higher Education	Human Services
Information Technology	Judicial
Regulatory Agencies	Public Health and Environment

